

NAISSANCE GALLERIA, LLC
 C/O Walkers Corporate Limited
 Cayman Corporate Centre, 27 Hospital Road
 George Town, Grand Cayman KY1-9008
 Cayman Islands

NOTICE OF EVENT OF DEFAULT

July 18, 2022

VIA FEDERAL EXPRESS AND HAND DELIVERY

Galleria 2425 JV, LLC
 2425 West Loop South, 11th Floor
 Houston, Texas 77027
 Attention: Ali Choudhri

Galleria 2425 JV, LLC
 6501 Westchester Avenue
 Houston, Texas 77005-3781
 Attention: Manager

Galleria 2425 JV, LLC
 1001 West Loop South, Suite 700
 Houston, Texas, 77027
 Attention: Ali Choudhri

Mr. Brad Parker
 2127 Bolsover St
 Houston, Texas 77005
 Attention: Brad Parker, Guarantor

Naissance Capital Real Estate, LLC
 Wells Fargo Building
 100 South Ashley Drive, Suite 600
 Tampa, FL 33602
 Attention: Azeemeh Zaheer

Galleria Owner, LLC
 Wells Fargo Building
 100 South Ashley Drive, Suite 600
 Tampa, FL 33602
 Attention: Michael Chang

Galleria Owner, LLC
 1001 West Loop South, Suite 700
 Houston, Texas, 77027
 Attention: Ali Choudhri

Galleria West Loop Investments, II LLC
 1614 Sidney Baker Street
 Kerville, Texas 78028
 Attention: Brad Parker & Ali Choudhri

Naissance Capital Real Estate, LLC
 2425 West Loop South
 Suite 350
 Houston, Texas 77027
 Attention: Azeemeh Zaheer

Galleria West Loop Investments, LLC
 1614 Sidney Baker Street
 Kerville, Texas 78028
 Attention: Brad Parker & Ali Choudhri

Re: Mezzanine Loan Agreement (the "Loan Agreement") dated May 23, 2018, between Galleria 2425 JV, LLC, a Delaware limited liability company and Naissance Galleria, LLC, a Cayman Islands limited liability company

Ladies and Gentlemen:

Please take notice that Galleria 2425 JV, LLC (the "Borrower") is in default of the above referenced Loan Agreement, in accordance with certain provisions of the Loan Agreement, discussed in detail below (the "Designated Events of Default"). The Designated Events of Default are in addition to any other Defaults or Events of Default that currently exist. All capitalized terms used herein and not otherwise defined shall have the same meaning as in the Loan Agreement.

Default No. 1 – Failure to pay all amounts due under the Loan Agreement. Pursuant to the terms of the Loan Agreement, and Forbearance Agreement entered in regard to same, Borrower has failed to make required payments in an amount no less than \$2,376,500, not inclusive of interest, fees, and other costs. Borrower has failed to comply with the payment provisions required under Section 2.3 of the Loan Agreement as modified by the Forbearance Agreement. This is an Event of Default pursuant to Section 10.1 of the Loan Agreement, specifically, and without limitation, Section 10.1(a)(i).

Default No. 2 – Failure to pay taxes associated with the Property. Pursuant to Section 6.3 of the Loan Agreement, Borrower has an obligation to either deposit funds with Lender for the payment of applicable property taxes, or to pay those taxes directly to the taxing authority at least 10 days prior to the due date. Instead of doing so, Borrower used monies earmarked for property taxes to purchase tax loans made on behalf of the Property as part of scheme to enrich itself at the expense of Lender and the Property. This is an Event of Default pursuant to Section 10.1 of the Loan Agreement, specifically, and without limitation, Sections 10.1(a)(ii), 10.1(a)(iii), 10.1(a)(vi), 10.1(a)(ix), 10.1(a)(xi), and 10.1(a)(xii).

Default No. 3 – Theft of FF&E. In 2020, Lender facilitated on behalf of the Property the purchase of Stage assets (chiefly furniture, fixtures, and equipment ("FF&E")) valued at over \$6,000,000. These assets were purchased for \$300,000. The profit from the asset purchase was intended to be used to pay taxes and other liabilities on the Property. Lender instead transferred the assets to affiliated companies and retained the profit. Affiliate transactions such as this are prohibited under the Loan Agreement pursuant to Section 4.2.6. This is an Event of Default pursuant to Section 10.1 of the Loan Agreement, specifically, and without limitation, Sections 10.1(a)(vi), 10.1(a)(xiii), and 10.1(a)(xvi).

Default No. 4 – Failure to give notice of litigation. Pursuant to Section 4.1.4 of the Loan Agreement, Borrower is required to provide prompt notice of litigation against the Borrower which might materially adversely affect the Property or Borrower/Guarantor's condition. On May 16, 2022, the Nation Bank of Kuwait filed claims against Borrower asserting at least \$5,400,000 in damages, not including costs, fees, and expenses. Borrower did not provide notice of this claim. This is an event of Default pursuant to Section 10.1 of the Loan Agreement, specifically, and without limitation, Section 10.1(a)(xvi).

Default No. 5 – Clouding title to the Property. On or about May 11, 2021, Borrower fabricated and filed a deed, which clouded title to the Property. This is an event of Default pursuant to Section 10.1 of the Loan Agreement, specifically, and without limitation, Sections 10.1(a)(vi), 10.1(a)(vii), 10.1(a)(ix), 10.1(a)(xiii), and 10.1(a)(xvi).

Please note that Naissance Galleria, LLC (the "Lender") reserves any and all rights it may have against the Borrower, the Guarantor and the Collateral in respect of the Designated Events of Default and each other Default or Event of Default that has occurred under the Loan Documents as a result of Borrower's and or Guarantor's failure to satisfy their obligations thereunder, including within any applicable cure periods. Nothing herein shall constitute a waiver by the Lender of rights arising in respect of any Default or Event of Default. Moreover, the Lender reserves all of its rights under and require full compliance by the Borrower and Guarantor, as provided in the Loan Documents.


In the event that Borrower does not cure the Designated Events of Default on or before 10 days from the delivery of this notice of Event of Default (in accordance with the terms of the Pledge and Security Agreement), Lender will exercise its remedies thereunder. Pursuant to the express provisions of Sections 8(a) and 9(c) of the Pledge and Security Agreement dated May 23, 2018 between the Borrower and the Lender, and the express terms and conditions of the Amended and Restated Limited Liability Company Agreement of the Borrower, also dated May 23, 2018, the Designated Events of Default permit the Lender, upon this written notice to Borrower, to register the Pledged Securities in the name of the Lender, and thereafter exercise all voting, all regular membership and other rights pertaining to the Pledged Securities and all rights of conversion, exchange and subscription and any other rights, privileges or options pertaining to the Pledged Securities, and collect, receive, appropriate and realize upon such Pledged Securities in the Borrower, which the Lender will do upon the expiration of the required ten (10) day notice.

Sincerely,

Naissance Capital, LLC,
A Cayman Islands limited liability company

By: Naissance Capital Real Estate, Ltd.
a Limited Liability UK Company, its Managing
Member

By: _____


Azeemeh Zaheer
Authorized Signatory

Cc: National Bank of Kuwait, S.A.K.P.
New York Branch
299 Park Avenue
New York, New York 10171
Attn: Corporate Finance & Legal
Marwan.Isbaih@nbkny.com
michael.carter@nbkny.com

Cc: Jetall Companies
1001 West Loop South Suite 700
Houston, Texas 77027
Attention: Ali Choudhri
Jennifer MacGeorge
ali@jetallcompanies.com
jmac@jlm-law.com

CC: Bradley S Parker
2127 Bolsover Street
Houston, Texas 77005
parker@jetallcompanies.com
bradparker3@yahoo.com

Cc: Polsinelli LLP
2950 North Harwood Street, Suite 2100
Dallas, Texas 75201
Attention: Brian Bullard
BBullard@Polsinelli.com

Cc: Jeff Joyce
Joyce + McFarland LLP
712 Main, Suite 1500
Houston, TX 77002
Attention: Jeff Joyce
jjoyce@jmlawyers.com

Cc: Crain, Caton & James
Five Houston Centre
1401 McKinney St., Suite 1700
Houston, TX 77010
Attention: Adrienne Bond
ABond@craincaton.com

Cc: Holland & Knight LLP
811 Main Street, Suite 2500
Houston, Texas 77002
Attention: Bruce Merwin & Manny
Gardberg
manny.gardberg@hklaw.com
Bruce.Merwin@hklaw.com

Cc: Galloway Law Firm
1301 McKinney Street, Suite 1400
Houston, TX 77010
Attention: Branch M. Sheppard, Director
BSheppard@gallowaylawfirm.com

Cc: Pillsbury Winthrop Shaw Pittman, LLP
31 West 52nd Street
New York, NY 10019
Attention: Mona Dajani
mona.dajani@pillsburylaw.com